

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3310-01
Bill No.: HJR 29
Subject: Constitutional Amendment–Toll Roads
Type: Original
Date: December 26, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$175,200)	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	<u>(\$175,200)</u>	<u>\$0</u>	<u>\$0</u>

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Treasurer**, and the **Office of Administration** assume the proposal would have no impact on their agencies.

Officials of the **Department of Transportation (MoDOT)** assume that under current law, the Missouri Highways and Transportation Commission does not have the authority to expend state road funds for the construction of toll facilities, such as toll bridges or toll highways. This legislation would authorize the Commission to construct and operate such facilities. The facilities would be funded from toll facility revenue bonds issued by the Commission. The bonds will not be an obligation of the state. When the bonds issued for a particular facility have been paid, the toll for that facility will be discontinued and the facility will become part of the free state highway system.

MoDOT officials note that the legislation would create a positive impact to MoDOT in that it would provide the Commission with an alternative method to fund and build needed transportation facilities in the state. There would be no effect on MoDOT revenues until the toll roads are constructed. MoDOT assumes the proposal would have no fiscal impact on their agency.

Oversight notes that the proposal specifically states that bonds issued would not be considered obligations of the state. Proceeds from the sale of such bonds as well as tolls and other revenues derived from any toll facilities constructed are to be credited to toll facility funds and used for payment of principal and interest on the bonds, as well as for the payment of costs associated with the establishment of toll facilities. The proposal does allow the Commission to transfer funds from the state road fund in the event revenues from a toll facility are inadequate, if necessary to meet current bond principal and interest obligations, or to initially pay for feasibility studies for and designs of toll facility projects. Any transfers from the state road fund are to be repaid with interest.

Advertisement costs for the proposal are estimated by the **Office of the Secretary of State (SOS)**. Statewide newspaper publications of constitutional amendments cost approximately \$1,460 per newspaper column inch based on estimates provided by the Missouri Press Service, which is then multiplied by three (3) for three multiple printings of the text of the proposal, the introduction, title, fiscal note summary, and affidavit as required by the Constitution and State Statute. Therefore, the proposal would cost \$4,380 per column inch ($\$1,460 \times 3$). The SOS estimates the total number of inches for the amendment to be 40 inches. Therefore, the total cost from the General Revenue fund would be \$175,200 ($\$4,380 \times 40$). The proposal would be on the

ballot for the November 2002 general election.

<u>FISCAL IMPACT - State Government</u>	FY 2003	FY 2004	FY 2005
GENERAL REVENUE FUND			
Cost to General Revenue Fund			
<u>Secretary of State</u>			
Newspaper Advertisements	<u>(\$175,200)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT	<u>(\$175,200)</u>	<u>\$0</u>	<u>\$0</u>
ON GENERAL REVENUE			

<u>FISCAL IMPACT - Local Government</u>	FY 2003	FY 2004	FY 2005
None	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Possible direct fiscal impact to small businesses could be expected as a result of this proposal due to the potential costs to small businesses that could be realized through increased transportation costs to use toll facilities.

DESCRIPTION

This proposed constitutional amendment gives the Highways and Transportation Commission the authority to conduct feasibility studies about toll facilities and to fund, design, acquire, construct, maintain, reconstruct, and operate toll facilities.

The amendment establishes the procedure and limitations for the issuance, collection, and distribution of toll facility revenue bonds or revenue refunding bonds for toll facilities.

When toll facilities have been paid for, all bonds retired, and all transfers from the State Road Fund repaid with interest, the facilities will become a part of the state highway system.

State toll facility revenue bond and refunding bond proceeds, tolls, and other revenues derived from the establishment or operation of toll facilities will not be considered part of total state revenue and the expenditure of the revenues will not be considered an expense of state government.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation
Office of Administration
Office of the Secretary of State
Office of the State Treasurer

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director
December 26, 2001